

Figure 1

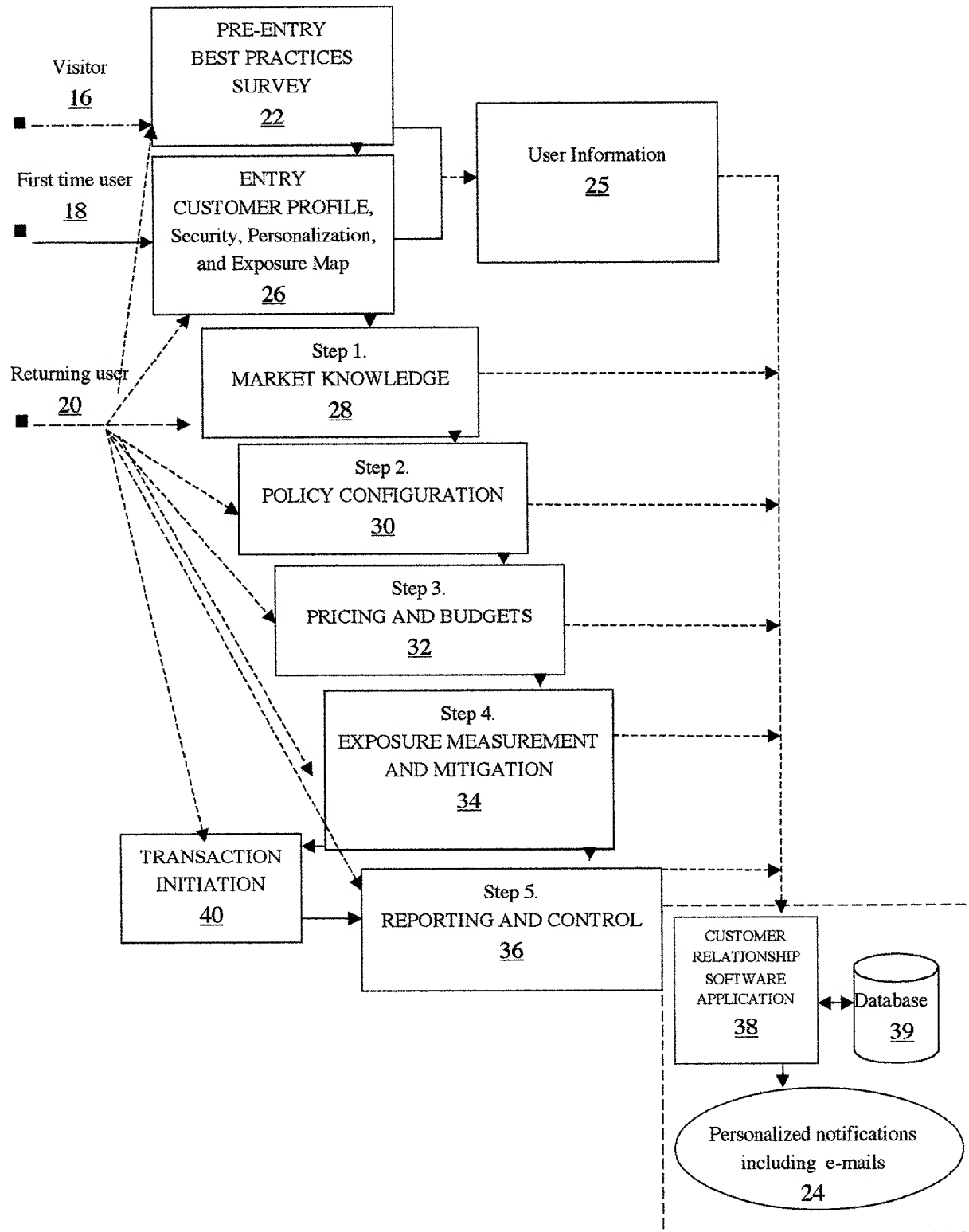


Figure 2

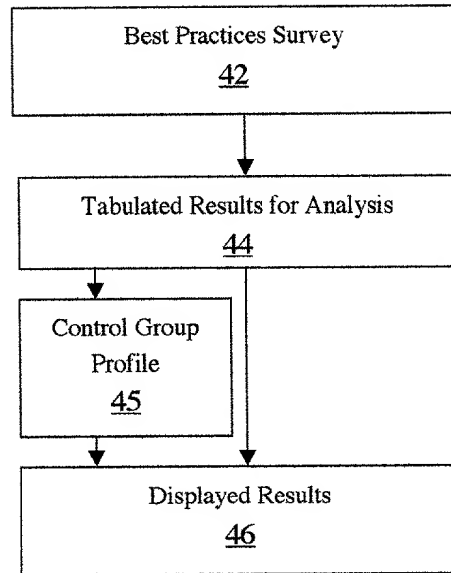


Figure 3

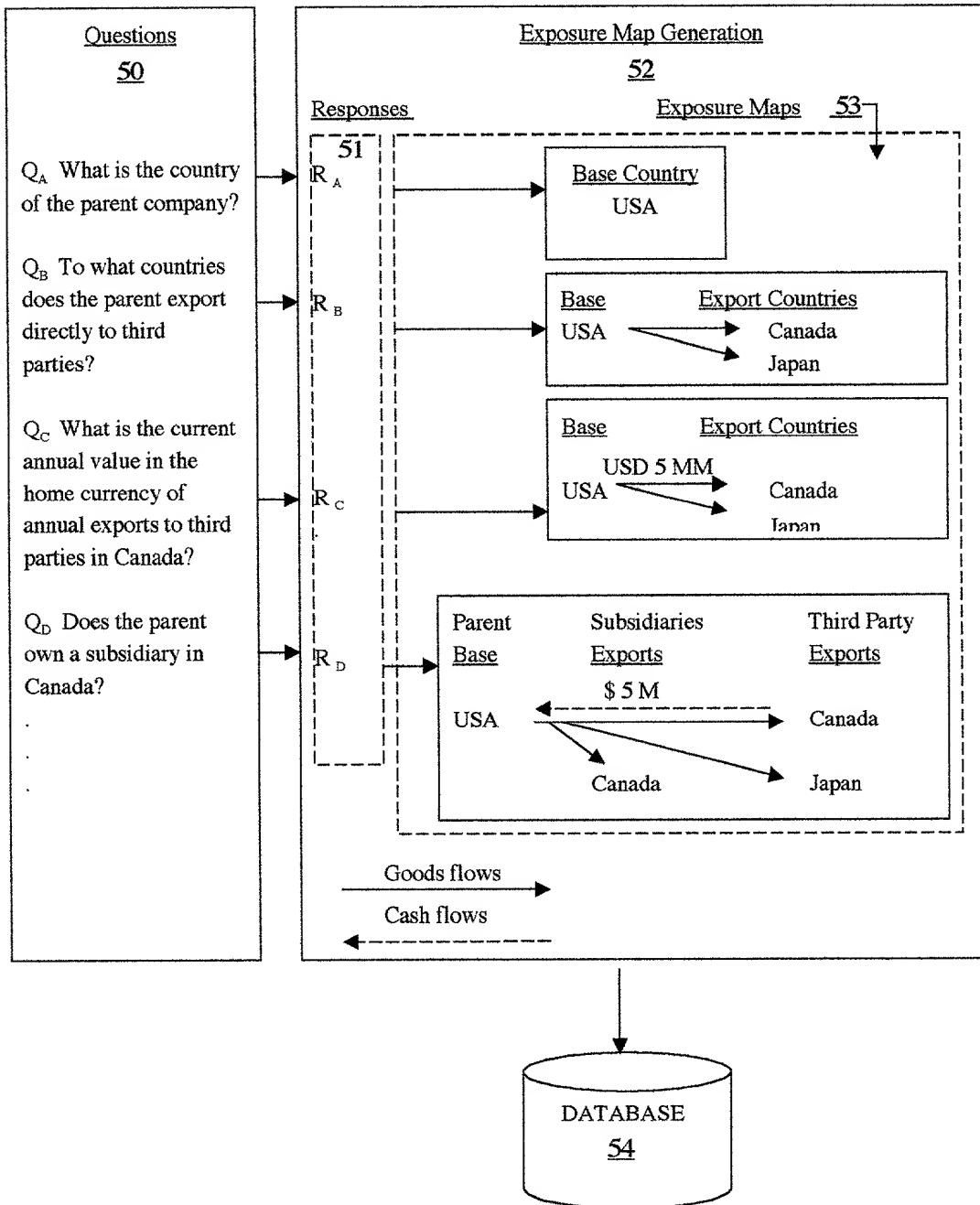


Figure 4

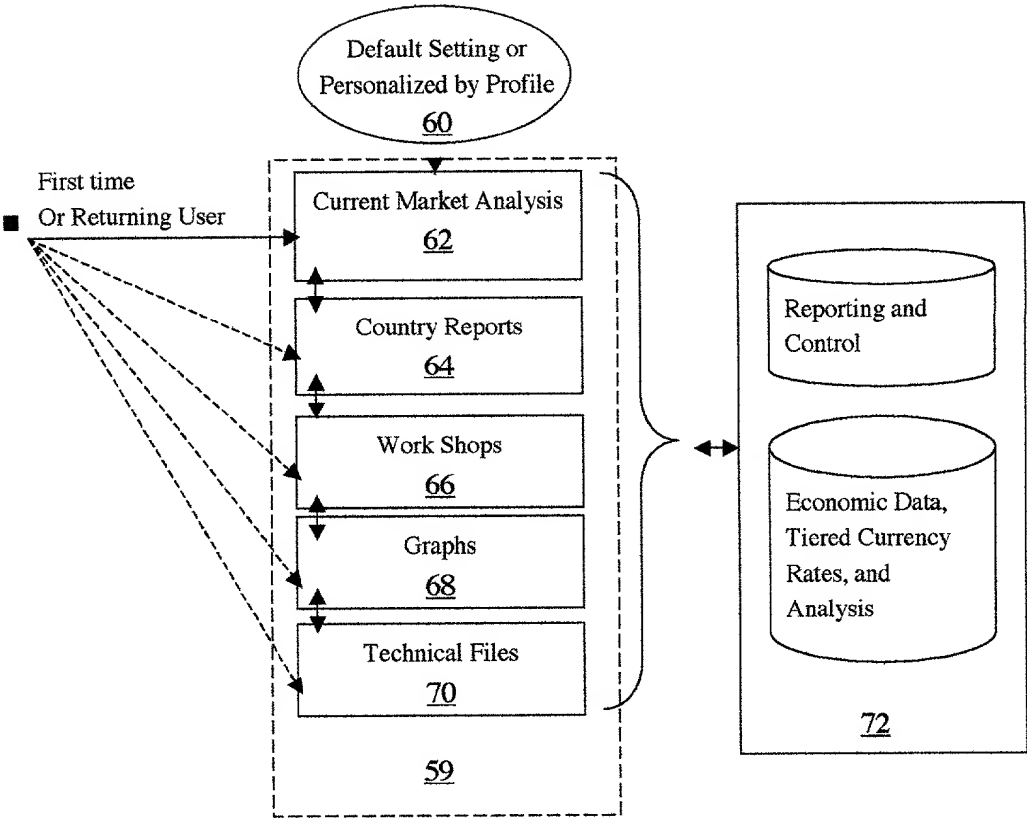


Figure 5

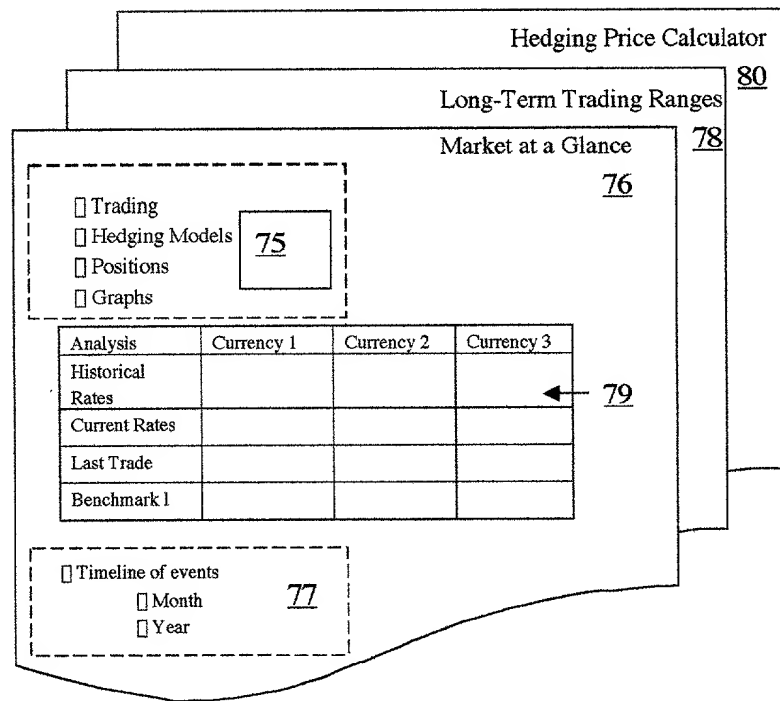


Figure 6

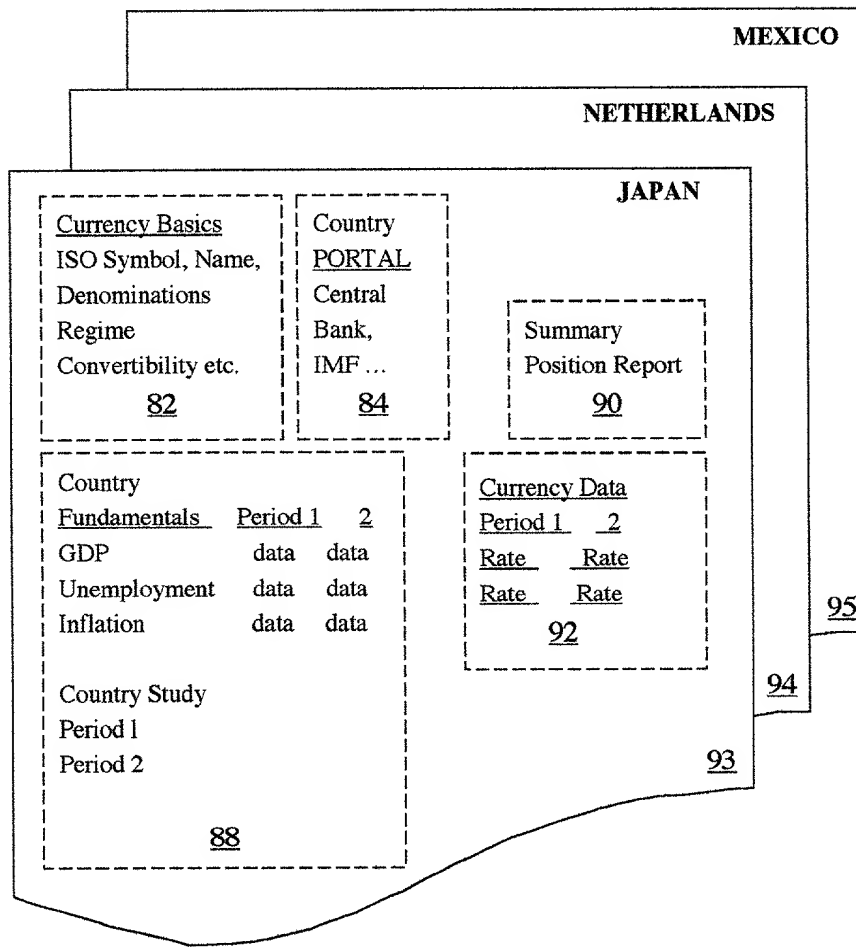


Figure 7

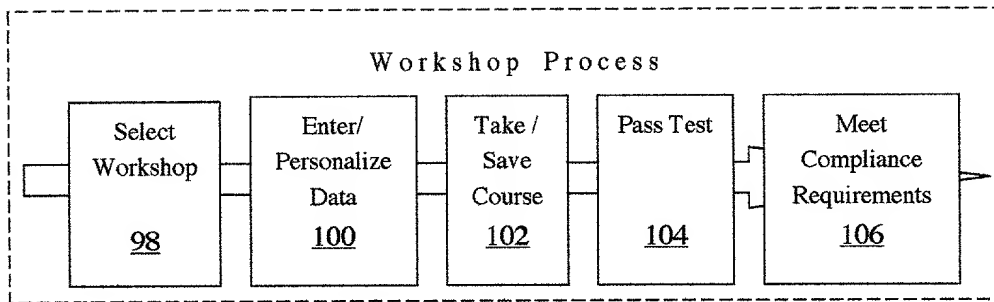


Figure 8



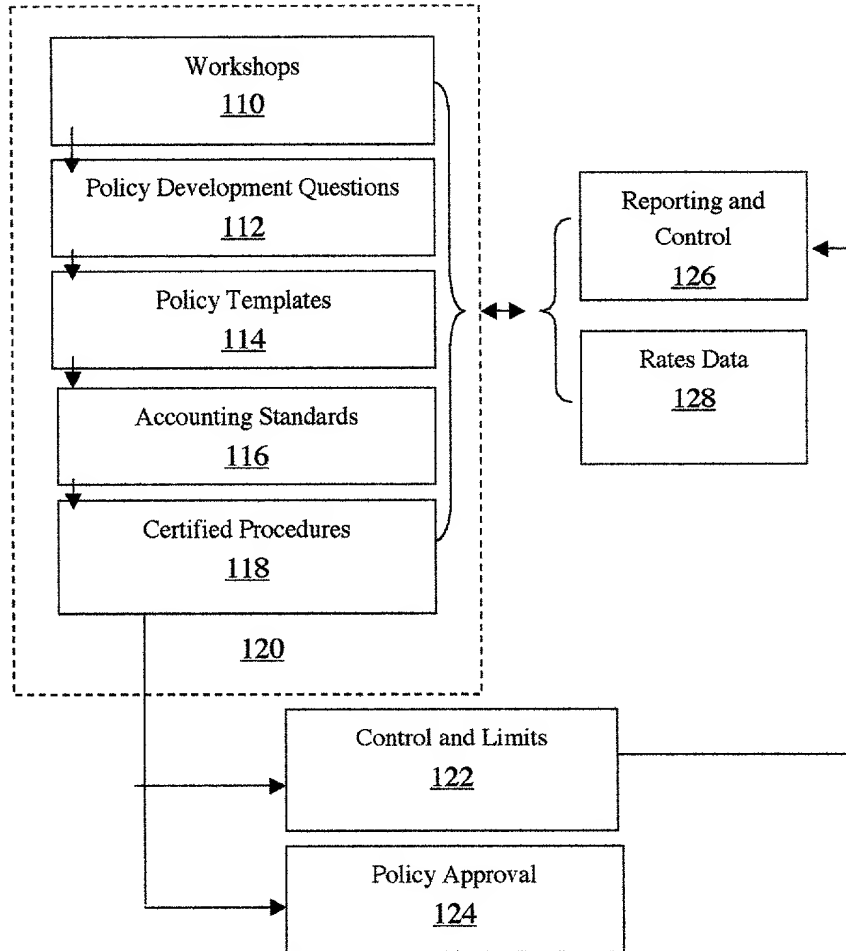


Figure 9

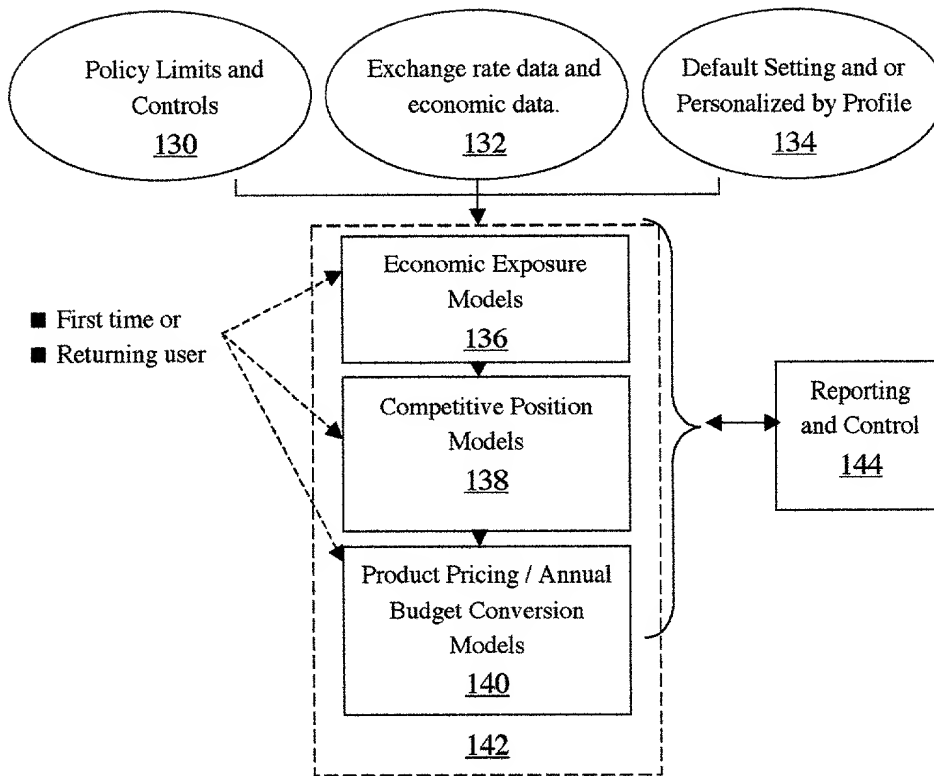


Figure 10

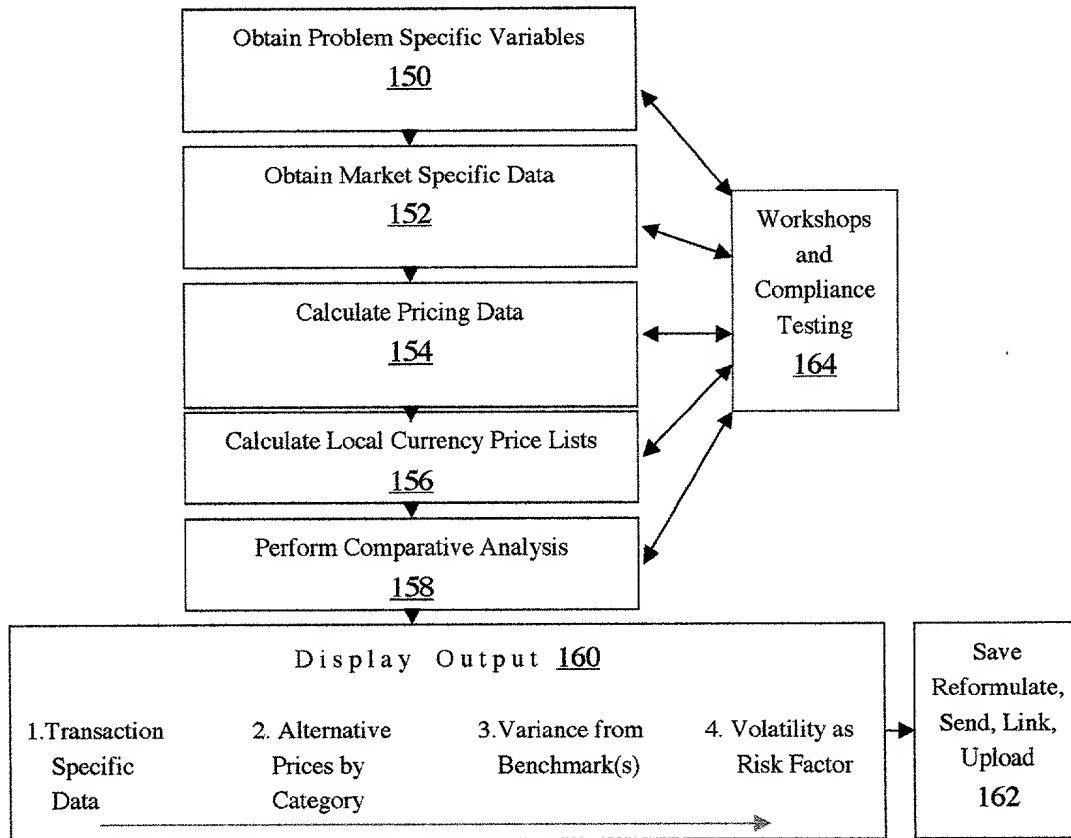


Figure 11

Select: 1 transaction, set of transactions, budget . . .

Option Number	Seller's Price in Base Currency (USD)	Buyer's Currency Analysis (JPY)	Exchange Rate(s)	Buyer's Equivalent Price in Foreign Currency	Buyer's Equivalent Price Variance 1 from Benchmark	Buyer's Equivalent Price Variance 2 From Benchmark
<u>166</u>	<u>168</u>	<u>170</u>	<u>172</u>	<u>174</u>	<u>176</u>	<u>178</u>
1a	Value(s)	JPY price at historical rate for Period 1	Rate	Value(s)	Value(s)	Volatility
1b	Value(s)	JPY price at historical rate for Period 2	Rate	Value(s)	Value(s)	Volatility
2a	Value(s)	JPY price at spot rate today <u>180</u>	Rate	Value(s)	Value(s)	Volatility
2b	Value(s)	JPY price at forward rate for Period 1	Rate	Value(s)	Value(s)	Volatility
3a	Value(s)	JPY price at forward rate for Period 2	Rate	Value(s)	Value(s)	Volatility
4a	Value(s)	JPY price at forecast rate for Period 1	Rate	Value(s)	Value(s)	Volatility
4b	Value(s)	JPY price at forecast rate for Period 2	Rate	Value(s)	Value(s)	Volatility

☐ Save as  
☐ Mark-to-Market  
☐ Upload to (drop down menu including:  
 Knowledge Engine components, Risk Measurement components . . .)  
☐ e-Mail  
182

Select: graph  
table

Figure12

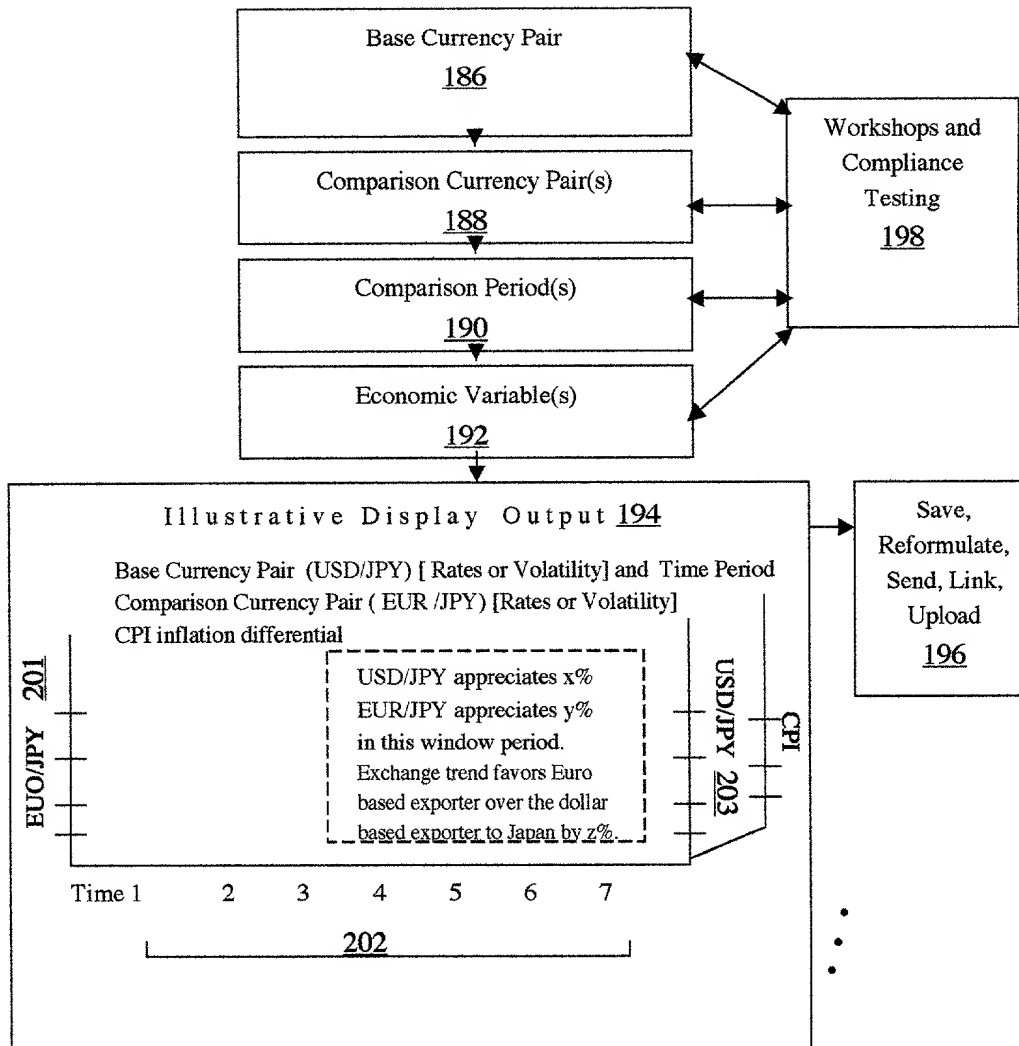


Figure 13

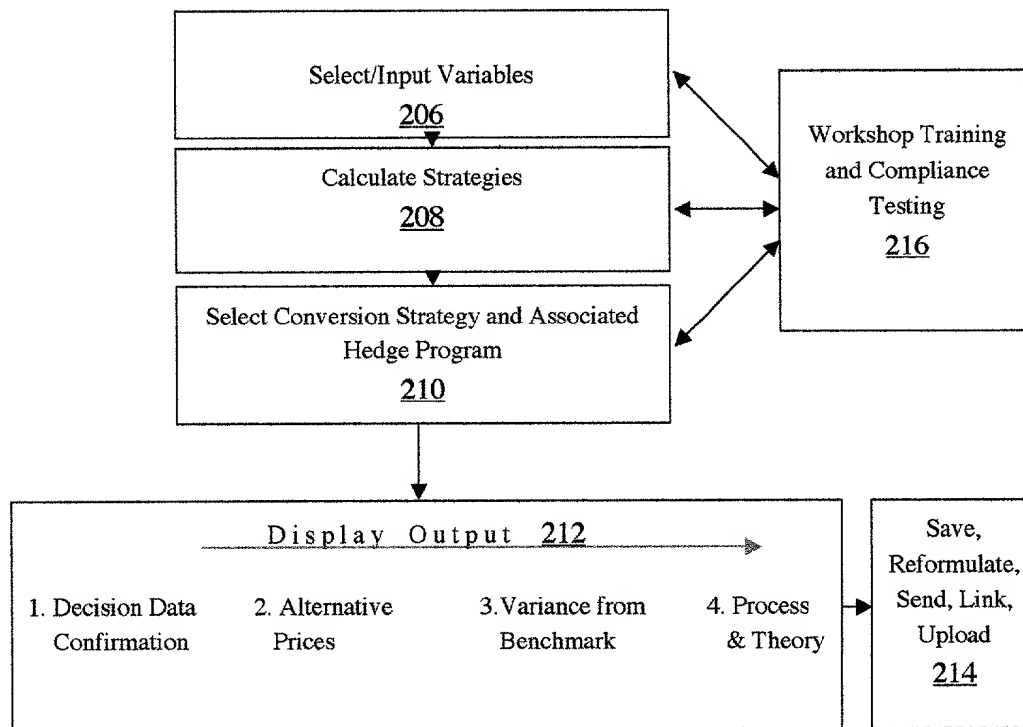


Figure 14

Periods (Months /Days)	Base Currency Amounts	Spot	Forward Rates	Option Costs at Selected Strike Prices	Premiums In base currency	Opportunity Cost Rates	Break Even Rates	Forecast Rate(s)
<u>220</u>	<u>222</u>	<u>223</u>	<u>224</u>	<u>225</u>	<u>226</u>	<u>227</u>	<u>228</u>	<u>229</u>
Today		Rate						
1	Value		Rate	%	Value	Rate	Rate	Rate
2	Value		Rate	%	Value	Rate	Rate	Rate
3	Value		Rate	%	Value	Rate	Rate	Rate
4	Value		Rate	%	Value	Rate	Rate	Rate
5	Value		Rate	%	Value	Rate	Rate	Rate

Select (conversion strategy and benchmark)

☐ Market at a glance  
☐ Workshop

Illustrative Display Screen Calculations for Step 208 (Fig. 14)

Conversion Strategy Selected:		
3. Today's weighted average forward rate.		
<u>231</u>		
Benchmark		Spot rate
Conversion Rate		Weighted forward average ( 224)
Price P1		Value
Price P2		Value
Price P3		Value
Price P4		Value
Total Price		Total Value
Variance to Benchmark of Total		Variance Value

☐ Workshop  
☐ Upload, save, e-mail...

Illustrative Display Screen Calculations for Step 210 (Fig. 14)

234

Figure 15

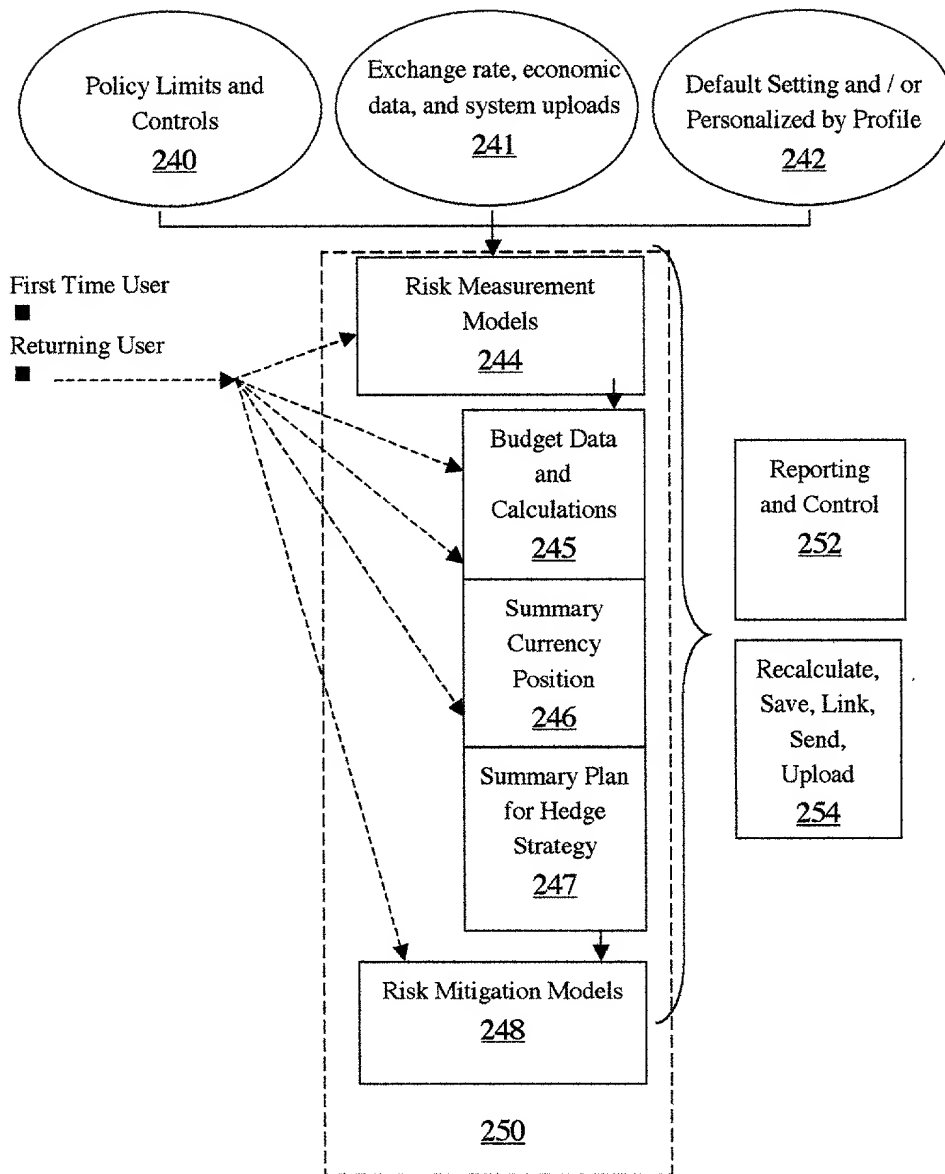


Figure 16



Country	Category	Month 1 Budget (Now)	Actual (Now)	Variance A to B (Now)	Month 2 A V	Month 3 A V ...	Year Total A V
<u>261</u>	<u>262</u>	<u>263</u>	<u>264</u>	<u>265</u>	<u>266</u>	<u>267</u>	<u>268</u>
Japan <u>270</u>	Budget Purchase(Sales) in JPY	Value	Value	Value	Value	Value	Value
<u>271</u>	Budgeted Exchange Rate(s)	Rate	Rate	Rate	Rate	Rate	Rate
<u>272</u>	Current Spot Rate	Rate	Rate	Rate	Rate	Rate	Rate
<u>273</u>	Current Hedge Rate(s)	Rate	Rate	Rate	Rate	Rate	Rate
<u>274</u>	Cost of Hedge(s)	Value	Value	Value	Value	Value	Value
<u>275</u>	Variance from Budget	Value	Value	Value	Value	Value	Value
<u>276</u>	Base Currency Scenario 1	Rate	Rate	Rate	Rate	Rate	Rate
<u>277</u>	Gain/(Loss) from Unhedged Position	Value	Value	Value	Value	Value	Value
<u>278</u>	Variance from Budget	Value	Value	Value	Value	Value	Value

Illustrative Output of Budget Data and Calculations 280

Currency	Position in Foreign Currency (FC)	Budgeted Rate		Market Rates			Benchmark(s) Rates or Volatility		
		Budget Rate	Base Currency (BC) Equivalent	Current Rate	Base Currency Equivalent	BC Differential Actual to Budget	Benchmark 1 Exchange Rate	Base Currency Equivalent	BC Differential Benchmark to Budget
<u>281</u>	<u>282</u>	<u>283</u>	<u>284</u>	<u>285</u>	<u>286</u>	<u>287</u>	<u>288</u>	<u>289</u>	<u>290</u>
JPY <u>291</u>									
TOTAL EXPOSURE BC <u>292</u>									
TAX RATE									
TOTAL EXPOSURE BX AFTER TAX <u>294</u>									

Illustrative Output of Summary Currency Position 295

Currency <u>298</u>	Actual			Plan		
	Aggregate Currency Position(s)	Existing Hedge Position(s)	Current Open Position	Hedge Now at spot, forward rate(s), option strike price(s)	Hedge Time Designated at spot, forward rate(s), option strike prices(s)	Do Not Hedge, stop loss rate(s) of
	<u>299</u>	<u>300</u>	<u>301</u>	<u>302</u>	<u>303</u>	<u>304</u>
JPY <u>305</u>						
GBP						

Illustrative Output of Summary Plan for Hedging Strategy 306

Figure 17

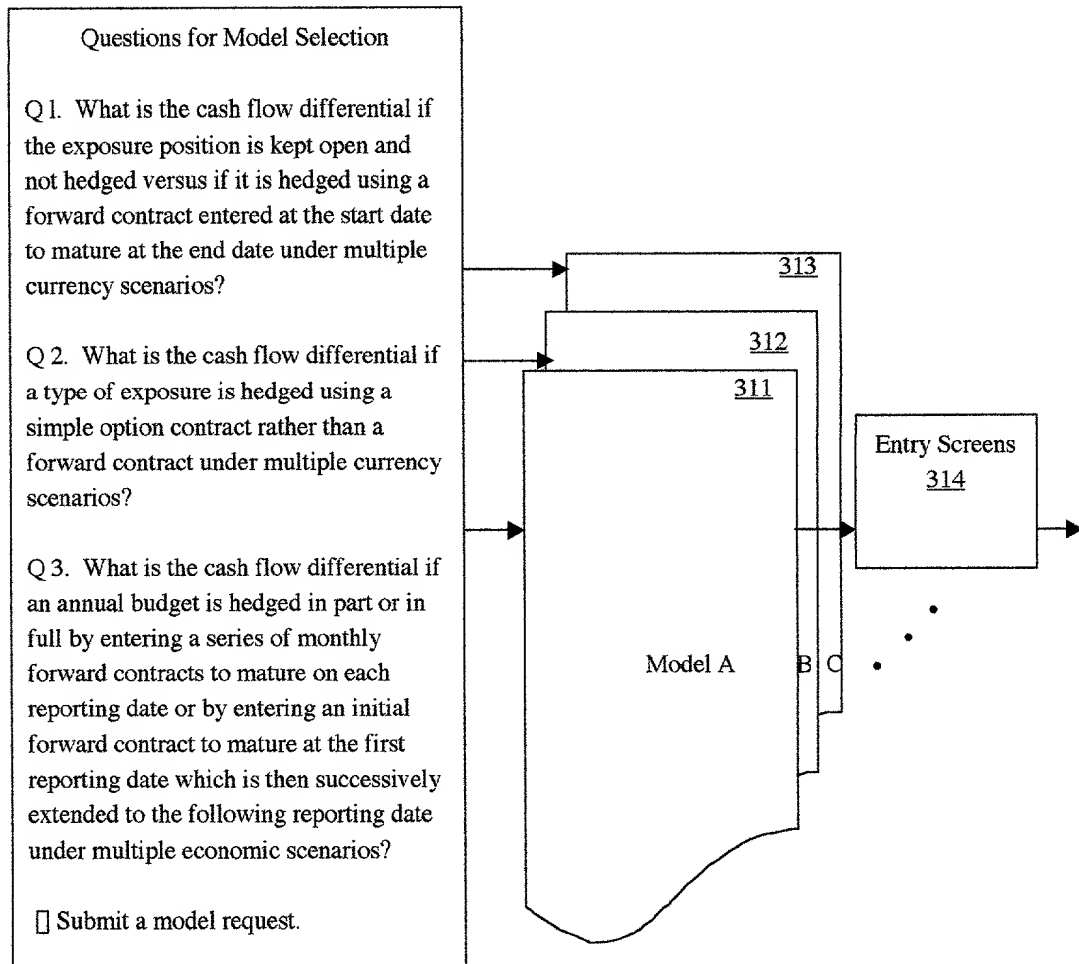


Figure 18

**Illustrative Appearance of Entry Screen Format 318**

Title of Model: Cash Flow Comparisons by Hedge Strategy and Economic Scenario

Buy or Sell:

Foreign Currency:

Amount of Foreign Currency:

Base Currency:

Today's Date:

Transaction Start Date:

Settlement/Value Date:

Option Strike Price:

Comparisons to Show:

Spot Exchange Rate (USD/FC):

Forward Exchange Rate (USD/FC):

Loan/Deposit Rate (SUD/FC):

Premium Amount for American Style Option, At-the-Money Option:

Out-of-the-Money Option:

Economic Scenario 1:  320      Economic Scenario 2:

US Dollar Strengths to       US Dollar Weakens to

Show Comparisons

**324**

TITLE and problem:

Confirmation of Data:

Base Currency

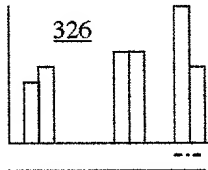
Foreign Currency

Buy/Sell

Begin Date

Value Date, etc.

**Illustrative Appearance of Output Screen Format: 322**



Select:

Display Summary A

Display Summary B

**327**

Coverage periods:

--- Spot

— Forward

	328 FC Amount	329 Rate	330 Base Equivalent	331 Process	332 Theory
<b>Matrix of Alternative Analysis: 335</b>					
<b>Cash Flow: Same Instrument, 2 Economic Scenarios:</b>					
1. Spot Contract entered on 1/31/00 for value 2/2/00:					
Scenario A. Cash Flow if USD strengthens to USD 1.5000/GBP:	FC amount	@ rate	=(base equivalent)	Process	Theory
Scenario B. Cash Flow if USD weakens to USD 1.000/GBP	FC amount	@ rate	=(base equivalent)	Description	Behind
Differential: Cash Flow, Scenario A versus Scenario B			base equivalent		Choice
2. Forward Contract entered on 8/8/99 for value 2/2/00.					
Scenario A: Cash Flow if USD strengthens to USD 1.5000/GBP:	FC amount	@ rate	=(base equivalent)	Process	Theory
Scenario B: Cash Flow if USD weakens to USD 1.7000/GBP:	FC amount	@ rate	=(base equivalent)	Description	Behind
Differential: Cash Flow, Scenario A versus Scenario B:			base equivalent		
Differential: Cash Flow, Scenario 1A to 2A			base equivalent	Process	Theory
Differential: Cash Flow, Scenario 1 B to 2 B			base equivalent	Process	Theory

334	Views of Market	Instruments	Strategies	Arbitrage Opportunities	Interest Rate Differentials	Types of Exposures
Views of Market						
Instruments						
Strategies						
Arbitrage Opportunities						
Interest Rate Differentials						
Types of Exposures						

Figure 19

PRODUCT CHOICE:

☐ SPOT  
types☐ FORWARD  
types☐ SWAP  
types☐ OPTION  
types☐ LOAN  
types☐ DEPOSIT  
types340

	Illustrative Categories	Illustrative Detail		
		<u>352</u>		
1	Trader Reference <u>341</u>	Number	Trade Date	Time
2	Status <u>342</u>	New	Order	Approve
3	Hedge Activity <u>342</u>	Link Exposure 1 to Trade	Link 2	Link 3 ...
4	Settlement Basis <u>344</u>	Credit	Split Date	Net Base
5	Requested Value Date(s) <u>345</u>	Date 1	Date 2	Date 3 ...
6	Ordering Customer <u>346</u>	Template 1	Template 2	Template 3 ...
7	Beneficiary(s) <u>347</u>	Ben 1	Ben 2	Ben 3 ...
8	Comments <u>348</u>	Open	Open	Open
9	Beneficiary's Bank(s) <u>349</u>	Template 1	Tem 2	Tem 3...
10	Transaction Specification <u>350</u>	Currency Pair	Transaction Amount	Rate Choice
11	Transaction Status <u>351</u>	Hold	Approve	Cancel

System:

- ☐ 12. Review Order, Credit Availability
- ☐ 13. Submit Order with Testing
- ☐ 14. Contract Number Assigned if authenticated
- ☐ 15. Revise, Reject Message if failed
- ☐ 16. Confirmation of Trade if authenticated
- ☐ 17. Report of failed and authenticated

Submit

355Illustrative Transaction Entry Screen 354

Figure 20

## Counterparty, Currency and Country Summary Position Report

Today's Date

360

Select: Counterparty, Currency, Country Detail

## Currency Risk Report

1	2	3	4	5	6	7	8	9	10	11	12	Currency Risk <u>366</u>		Counterparty Risk <u>367</u>		Country Risk <u>368</u>	
												Limit	Differenti al	Limit	Differ ential	Limit	Differ ential
JPY <u>370</u>											Exposure Amount						
EUR											Amount						
GBP											Amount						
<b>Total Base Currency Equivalent <u>369</u></b>											<b>Amount</b>		\$		\$		\$
Tax Rate 50%											Amount		\$		\$		\$

☐ Policy Template☐ Transaction☐ Workshop

## Column Headings for Currency Risk Detail Selection:

1. Currency Name(s)
2. Counterparty Name(s)
3. Account Balance(s)
4. Other Balance(s)
5. Total Receivables
6. Total Payables
7. Currency Exposure before Hedge
8. Currency Hedges
9. Currency Hedge Rate (weighted average)
10. Currency Exposure Residual
11. Current Exchange Rate
12. Current Base Currency Value of Residual Exposure

Figure 21

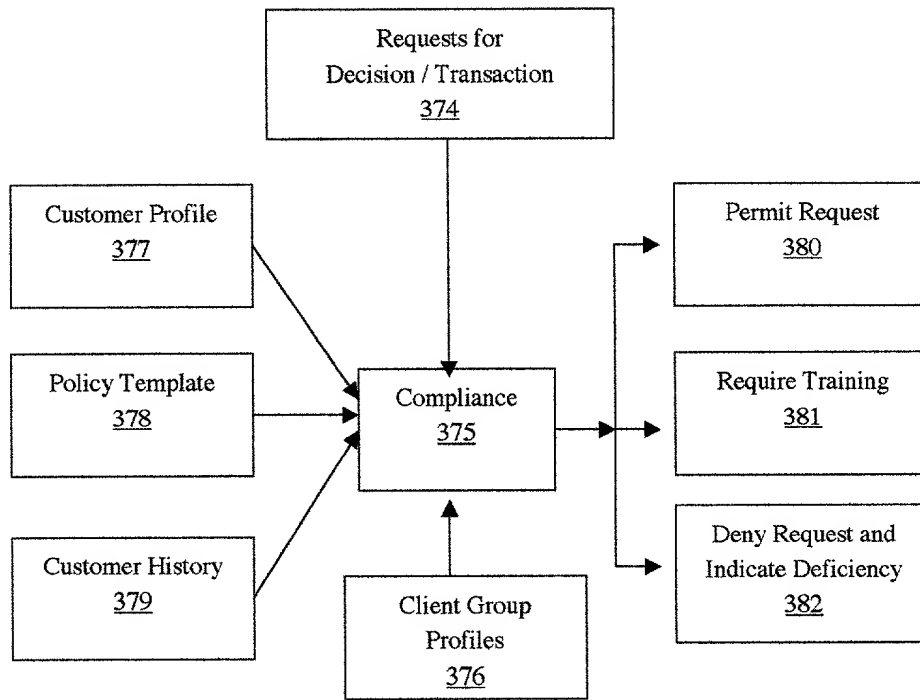


Figure 22

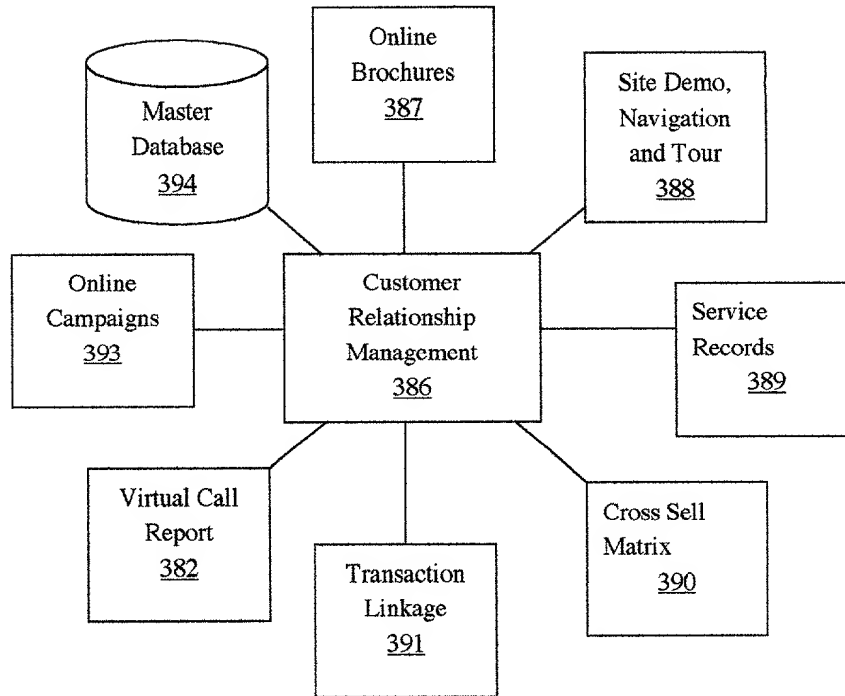


Figure 23





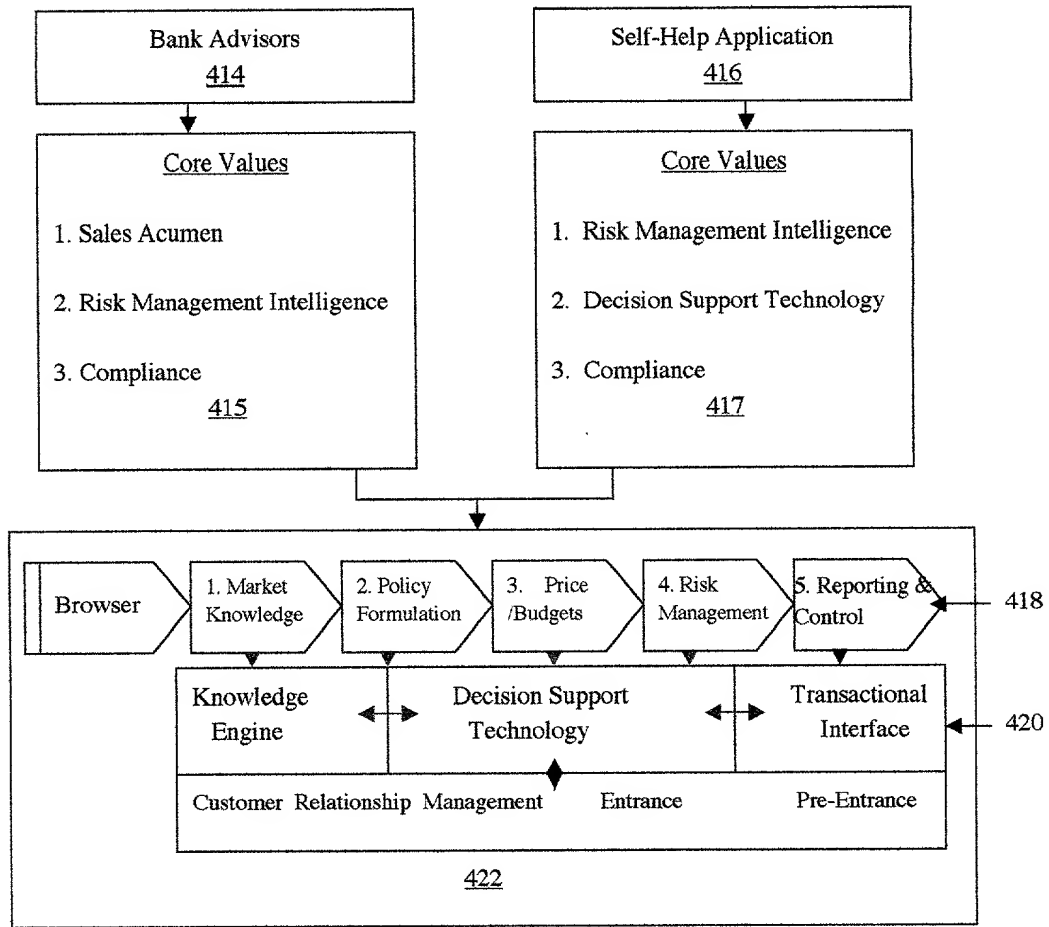


Figure 25